

Law Department

The City of Seattle--Legislative Department

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on

**PLANNING
& COMMUNITY AFFAIRS**

to which was referred the within Council Bill No. 110790
report that we have considered the same and respectfully recommend that the same:

Pass as

amended

Full Council JOT 9-0

2-0

7/28/95

Jim Shurt

Committee Chair

ORDINANCE 117729

1 AN ORDINANCE relating to economic development; authorizing the Central Area
2 Capital Fund Program; amending the 1995 Budget to reallocate 1994 and 1995
3 Community Development Block Grant ("CDBG") funds from the Department of
4 Housing and Human Services to the Office of Economic Development for Central
5 Area development; approving expenditure of the balance of the City of Seattle's
6 1991 HUD Special Grant for economic development activities in the Central
7 Area; and authorizing amendments to the City of Seattle's 1994 CDBG Final
8 Statement and the 1995 Consolidated Plan.

9 WHEREAS Ordinance 115736, adopted by the Seattle City Council on August 5, 1991,
10 authorized The City of Seattle to enter into agreements with the U.S. Department
11 of Housing and Urban Development ("HUD") and to accept a grant award for a
12 Central Area Neighborhood Development Special Purpose Grant (the "Grant");
13 and

14 WHEREAS, the work program developed for the Grant included the creation of a
15 community capital fund for assisting in the physical redevelopment of the Central
16 Area; and

17 WHEREAS, Resolution 28815, adopted by the Seattle City Council on January 3, 1994,
18 recognized the Central Area Action Plan, and adopted the City's Response to said
19 plan; and

20 WHEREAS, a component of the City Response to the Central Area Action Plan included
21 a requirement that OED develop a leveraged capital fund pool to facilitate
22 effective use of the Central Area Opportunity Grant in implementing the Action
23 Plan; and

24 WHEREAS, the Directors of the Office of Economic Development and the Department
25 of Housing and Human Services, in consultation with the community, have
26 developed a capital fund program which is responsive to development needs
27 identified in the Central Area Action Plan; NOW, THEREFORE

28 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Office of Economic Development ("OED
Director") is authorized, for and on behalf of The City of Seattle, to establish the Central
Area Capital Fund Program (the "Program"), in accordance with the Program
description and Policies attached as Exhibit A, to act as the representative of the City in
connection with the Program; and to take such other actions as may be necessary or
appropriate to implement the Program and to comply with applicable regulations of the
United States Department of Housing and Urban Development.

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1 Section 2. For the purposes of implementing the Program, as described in
2 Section 1, and in Exhibit A, the balance of the City's Central Area Neighborhood
3 Development Special Grant shall be used for funding the *Central Area Capital Fund*
4 *Program*. The City Council approves such use or the remaining balance, amounting to
5 approximately FIVE HUNDRED AND FORTY TWO THOUSAND AND NO/100
6 DOLLARS (\$ 542,000) as consistent with the appropriation of such 1991 Special grant
7 Funds in Ordinance 115736 from the Special Grants Sub Fund (17820) of the Housing
8 and Community Development Revenue Sharing Fund. The condition in Section 3 of
9 Ordinance 115736 that a resolution be adopted regarding the use of funds is deemed
10 satisfied by this Ordinance.

11 Section 3. The Mayor or Director of Housing and Human Services is hereby
12 authorized to amend the 1994 CDBG Final Statement to establish an activity within the
13 Economic Development Service Area identified as "Central Area Capital Fund Program"
14 and to reprogram to such program the sum of up to ONE HUNDRED AND FORTY
15 THOUSAND AND SIXTY EIGHT AND NO/100 DOLLARS (\$ 140,068) from activities
16 in the Housing and Housing Services Service Area (Log # C703 - Central Area
17 Development).

18 Section 4. The Mayor or the Director of Housing and Human Services is
19 hereby authorized to amend the 1995 Consolidated Plan to establish an activity within the
20 Economic Development Service Area identified as "Central Area Capital Fund Program"
21 and to reprogram to such program the sum of up to ONE HUNDRED AND TWENTY
22 FIVE THOUSAND AND NO/100 DOLLARS (\$ 125,000) from activities in the Housing
23 and Housing Services Area (Log # C703 - Central Area Development Organizations).

24 Section 5. The 1995 Annual Budget is hereby amended as follows:

25 A. The expenditure authority in the Housing and Community Development
26 Revenue Sharing Fund, also referred to as CDBG Fund 17810, for the Department of
27 Housing and Human Services, is reduced by the amount of TWO HUNDRED SIXTY
28 FIVE THOUSAND AND SIXTY - EIGHT DOLLARS (\$ 265,068.00), which amount
includes ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS
(\$ 125,000.00) appropriated in the 1995 Budget plus the amount of ONE HUNDRED
AND FORTY THOUSAND AND SIXTY - EIGHT DOLLARS (\$ 140,068.00) of
expenditure authority in such Fund in the 1994 Budget for the Department of Housing
and Human Services, which amount was unexpended and therefore carried forward to
1995 but was not included in the amounts set forth in the 1995 Adopted Budget.

21 B. The expenditure authority in the Housing and Community Development
22 Revenue Sharing Fund for the Executive Department, Office of Economic Development,
23 is hereby increased by TWO HUNDRED SIXTY FIVE THOUSAND AND SIXTY -
24 EIGHT DOLLARS (\$ 265,068.00).

25 C. The increased expenditure authority in the Executive Department, Office
26 of Economic Development pursuant to this Section shall be used for capital projects,
27 grants, and loans in the Central Area to be made or administered directly by the City or
28 through nonprofit agencies, all as part of the Program authorized in Section 1 of this
Ordinance.

All necessary appropriations are hereby made and all necessary transfers authorized to
carry out the intent of this Section.


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1 Section 6. The OFD Director is hereby authorized, for and on behalf of the
2 City, to enter into and modify contracts with the agencies described in Exhibit A, the
3 Central Area Development Association (CADA), the Local Initiatives Support
4 Corporation (LISC), the Washington Community Development Loan Fund (WCDLF)
and the Washington Association for Community Economic Development (WACED), and
to take such other actions and execute and deliver such other documents as shall be
reasonably necessary or appropriate to carry out the intent of this Ordinance.

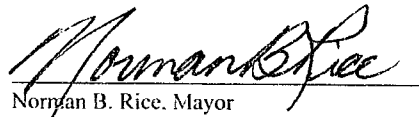
5 Section 7. Any act pursuant to the authority and prior to the effective date of
6 this ordinance is hereby ratified and confirmed.

7 Section 8. This ordinance shall take effect and be in force thirty (30) days
8 from and after its approval by the Mayor; but if not approved and returned by the Mayor
within ten (10) days after presentation, it shall take effect as provided by Municipal Code
Section 1.04.020.

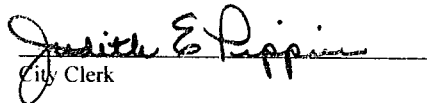
9 Passed by the City Council the 31st day of July, 1995, and signed by
10 me in open session in authentication of its passage this 31st day of July, 1995.

11 
12 President of the City Council

13 Approved by me this 3 day of Aug., 1995.

14 
15 Norman B. Rice, Mayor

16 Filed by me this 3 day of August, 1995.

17 
18 City Clerk

19 (SEAL)

20 Exhibits:

21 A. Central Area Capital Fund Program Summary
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EXHIBIT A
CENTRAL AREA CAPITAL FUND
PROGRAM SUMMARY

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RECEIVED OMP
JUN 23 1995



City of Seattle

Executive Department—Office of Economic Development

Carol Dickinson, Director
Norma E. Rice, Mayor

June 19, 1995

To: Council President Jim Street
Seattle City Council

VIA: Tom Tierney, Director
Office of Management and Planning

From: Carol Dickinson, Director *Carol*

SUBJECT: REQUESTED LEGISLATION
CENTRAL AREA CAPITAL FUND PROGRAM

Enclosed is an ordinance requesting City Council authorization to establish the *Central Area Capital Fund Program*. For the past year, the City, through the Office of Economic Development, has been working to develop a base of community development organizations in the Central Area which could become a force in redeveloping the community and implementing housing and commercial development goals of the *Central Area Action Plan*. In order to better ensure their success in redevelopment, OED and DHHS, in conjunction with the Local Initiatives Support Corporation (LISC) and the Washington Association for Community Economic Development (WACED) have been working to develop a capital fund for their use in acquiring and developing real estate. Without access to funding resources, it would be unreasonable to expect community organizations to undertake real estate activities which are critical to the revitalization of the Central Area.

A key intent of the Fund has been to leverage the City of Seattle's 1991 HUD Special Grant (targeted to economic development activities) as well as CDBG funds previously used by the Central Area Public Development Authority (CAPDA) to create such a development fund. An outline of the *Central Area Capital Fund Program* is attached.

OED is requesting legislation that establishes the program and utilizes \$812,068 of federal resources (CDBG & Special Grant) to leverage a \$1,487,068 fund for real estate development. To better administer the Program, this legislation transfers previous CDBG allocation from DHHS to OED. OED will then develop appropriate agreements with community organizations, the Local Initiatives Support Corporation (LISC) and the Washington Association for Community Economic Development (WACED).

Thank you for your consideration of this legislation. Please feel free to contact me or Chuck Depew, at 684-0208, if there are questions regarding the program.

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CENTRAL AREA CAPITAL FUND
Program Description and Policies

I. OVERALL MISSION STATEMENT

The overall mission of the Central Area Capital Fund Program (CACF) is to promote the coordinated redevelopment of Seattle's Central Area community through centralized delivery of technical assistance and financing for physical development projects aimed at the provision of affordable housing and economic revitalization within the Central Area.

GOALS

1. To support the ability of community-based, non-profit development organizations to engage in the effective revitalization of the Central Area community and to enhance their capacity to continue revitalization efforts in the future.
2. To create a source of project financing that can be used by Central Area community development corporations to implement the physical development goals of the Central Area Action Plan.
3. To promote cooperation and coordination among various organizations concerned with revitalization of the Central Area.
4. To blend the resources of various public and private financing systems into a single system which is responsive to the community redevelopment needs and project realities of the Central Area.
5. To remove blight, stimulate economic development and provide a mix of housing opportunities within the Central Area community.
6. To create a permanent source of project financing for community-based developers in the Central Area.

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II. GENERAL PROGRAM DESCRIPTION

OVERVIEW

The *CENTRAL AREA CAPITAL FUND* program includes three major activity areas, as follows:

1. Commercial Facade Improvement Program

This program provides matching funds for community-based development organizations in the Central Area to sponsor facade improvements by private businesses and/or commercial property owners in the Central Area. The program will fund materials only with labor and any required permit costs being paid by the private party. Funding support from the Local Initiatives Support Corporation (LISC) will assist the Central Area Contractor's Plan Center in working with area projects.

2. Project Pre-Development Financing

This program provides pre-development financing to Central Area CDC's to evaluate development feasibility or to conduct due diligence and/or acquire site control. Examples of eligible activities for funding include financial feasibility studies, market analyses, appraisals, preliminary design and environmental assessments.

3. Community Equity Fund

This program provides funding for Central Area community development corporations to provide equity in real estate development projects. Funds are structured as short-term subordinated loans which can be converted to a grant depending on the source and level of secured permanent financing. Organizations can seek funds for property acquisition, architectural/engineering fees or other components of project equity.

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III. FINANCING PARTICIPANTS

The following organizations are participants in funding the *Central Area Capital Fund*.

1. **The City of Seattle - Office of Economic Development (OED)**

Will provide the balance of the City's HUD Special Grant for the Central Area. The balance remaining is \$ 542,000. OED will continue to seek other federal funding sources, such as Community Development Block Grant (CDBG) and Economic Development Administration (EDA) funds to increase funding for Central Area projects.

2. **The City of Seattle - Department of Housing and Human Services (DHHS)**

Will provide CDBG funds to increase the pre-development funding available through the Washington Community Development Loan Fund (WCDLF) for commercial and/or mixed use development and to fund the Commercial Facade Improvement Program. Some funds will also be used to continue the project development funds for Central Area organizations available through the Washington Association for Community Economic Development (WACED). These funds are used to develop projects to qualify for WCDLF. The City Council will transfer \$ 265,068 in 1994 and 1995 CDBG funds to the Office of Economic Development to administer the program. The Housing and Community Services Division will continue to provide access to housing finance resources for appropriate projects.

3. **The Local Initiatives Support Corporation (LISC)**

LISC will provide funds through the Neighborhood Community Development Initiative (NCDI) and its other community development programs. LISC will also provide operating support for the Central Area Contractor's Plan Resource Center and will provide up to \$ 600,000 in development credits. LISC also provides staffing for the Washington Community Development Loan Fund (WCDLF). Due to its financial and administrative participation in these community development efforts, LISC will function as the initial project reviewer for requests for the Community Equity Fund.

4. **The Washington Association for Community Economic Development (WACED)**

WACED is a state-wide, non-profit corporation formed to support the development of community development organizations. WACED established and operated the Washington Community Development Academy and in 1994 utilized EDA funding through the Office of Economic Development to manage a project consulting fund for Central Area organizations. With this program WACED will continue to provide organizational development technical assistance, board development training and project development advanced training.

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5. Washington Community Development Loan Fund (WCDLF)

WCDLF is a non-profit corporation established by WACED, LISC and the Washington reinvestment Alliance to provide a comprehensive system of predevelopment financing for housing, community and economic development throughout Washington State. WCDLF also seeks to link other existing programs into a coordinated support system for community-based development. WCDLF currently has approximately \$ 1,796,177 in funds available for lending in the Seattle / King County area. Most of those funds are restricted to housing development. With support from the Central Area Capital Fund, WCDLF will have funds targeted directly to the Central Area and to commercial and mixed use development. Eligible activities for pre-development funding include land acquisition option payments, environmental assessments, preliminary design and financial feasibility studies. Funds will be provided as recoverable loans but can be structured as grants if desired.

A funding summary for the Central Area Capital Fund includes:

<u>Program Category</u>	<u>LISC /</u>		<u>TOTAL</u>
	<u>City Funds</u>	<u>WCDLF Funds</u>	
Commercial Facade Program	\$ 100,000	\$ 75,000	\$ 175,000
Pre-Development Financing	\$ 165,068	\$ 0	\$ 165,068
Project Construction Financing	\$ 0	\$ 600,000	\$ 600,000
Community Equity Fund	<u>\$ 542,000</u>	<u>\$ 0</u>	<u>\$ 542,000</u>
TOTALS	\$ 807,068	\$ 675,000	\$ 1,482,068

Currently, WCDLF has approximately \$ 1,796,177 available in 1995. Projects in the Central Area are eligible for those funds. The above budget doesn't provide a matching figure because WCDLF is not holding a set amount of funds for the Central Area except for funds provided from the Central Area Capital Fund.

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IV. ADMINISTRATION

The City of Seattle - Office of Economic Development will work with the Central Area Development Association (CADA) to administer the **Central Area Commercial Facade Improvement Program**. CADA has finalized an administration agreement with other Central Area development organizations to administer the program and will work further with the Unified Community Economic Development Association (UCEDA) to involve the Central Area Contractor's Plan Resource Center in supporting the specific construction development needs of businesses and property owners.

The City of Seattle's Office of Economic Development (OED) will contract with the Washington Community Development Loan Fund (WCDLF) to administer the **Project Pre-Development Financing Program** and to assist in administering the **Community Equity Fund**. OED will also expand its contract with the Washington Association for Community Economic Development (WACED) to maintain its Central Area organization and project development fund.

V. COMMUNITY REVIEW

Organizations applying for funding through the *Central Area Capital Fund* should evidence the support of the Central Area Action Plan -- Implementation Team (CAAP-IT). CAAP-IT will review projects with community development corporations to determine their consistency with the goals and objectives of the Central Area Action Plan and provide an advisory recommendation to the Director of the Office of Economic Development.

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VI. PROGRAM POLICIES AND PROCEDURES

The following are the program policies and procedures for the *Central Area Capital Fund*.

1. Commercial Facade Improvement Program

The purpose of this program is to assist private business owners and/or commercial property owners to improve the appearance of commercial spaces or properties in the Central Area.

Funds may be used for exterior facade improvements, awnings, painting, landscaping and other improvements which will significantly enhance the appearance of the exterior of the commercial building.

Public funds may only be used to reimburse applicants for the actual cost of materials used for the exterior improvements. Public funds may not be used for labor costs and any required permit costs.

Match Requirement: To every degree possible, applicants must match the public funding on a dollar per dollar basis (1:1). Costs eligible for the match include labor costs, in-kind labor estimates, permit expenses, etc.

Selection Process: The Central Area Development Association (CADA) will work with the Central Area Action Plan -- Implementation Team (CAAP-IT) and other Central Area development organizations to establish a Steering Committee to review applications for funding.

Upon Steering Committee review, CADA will submit a project recommendation and funding summary for review and approval by OED. Upon OED approval, funding will be allocated to the project. Upon completion of the improvements, CADA will certify their completion and invoice OED to reimburse eligible expenses.

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Selection Criteria: The Steering Committee will evaluate proposed projects according to these six(6) criteria (not all criteria need to be met by a project):

1. The project will improve the appearance of a commercial or mixed use structure within an existing business district in the Central Area as defined by the Central Area Action Plan.
2. The property/business owner has signed an agreement to maintain the property, including landscaping and trash removal after the funded improvements are completed.
3. The project will contribute to the creation or maintenance of retail or office space for other businesses that strengthen the economic base of the Central Area.
4. The project's budget is reasonable, documented and there is a written commitment to provide the necessary funding to complete the entire improvement prior to reimbursement from the Fund.
5. The project's design has been developed or reviewed by a professional architect or designer; or Environmental Works, or complies with an overall design plan, if any, of the community.
6. The project will either increase the benefit resulting from recent investment in the area, or will likely stimulate further private investment in the immediate area.

Application Process: Eligible business owners and/or property owners must submit an application to CADA that describes the project (drawings and sketches are preferred), a summary of and documentation of improvement costs and a letter confirming a commitment to maintain the improvement and provide the necessary funds to complete the improvement. Business owners (tenants) must include written approval by the site's legal property owner approving the application.

CADA will coordinate reviews by the Steering Committee and provide a written summary for OED review. Upon approval by OED, CADA will provide a written confirmation setting forth funding terms and conditions for approval by the applicant.

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2. Project Pre-Development Financing

The City of Seattle will expand the resources available through the Washington Community Development Loan Fund (WCDLF) that can be targeted to support project pre-development financing in the Central Area. WCDLF offers loans as recoverable financing in amounts up to \$ 30,000 (and in some cases, up to \$ 50,000) to cover eligible predevelopment costs associated with housing and commercial development projects. Funding support from the *Central Area Capital Fund* will be used to increase funding available for commercial and/or mixed used development projects.

To be eligible for financing support, organizations agree to use their best efforts to demonstrate and achieve project feasibility in a timely manner and obtain bona fide financing commitments within the specified loan term. In the event that demonstrated best efforts do not result in financing commitments, WCDLF may consider conversion to a grant and write off the resulting loss. With the expansion of funding through the *Central Area Capital Fund*, WCDLF may, under special circumstances, structure the pre-development financing as a project grant. An outline of the WCDLF Program and governance structure is attached to this program outline.

Predevelopment financing, through WCDLF, is made available according to the following terms:

- Eligibility:** Applicant Organizations must:
1. Be charitable and tax-exempt under Section 501 (c) (3) of the Internal Revenue Code and registered in Washington State as a non-profit corporation; or be a public authority or public corporation created pursuant to the Revised Code of Washington.
 2. Demonstrate that the intended development project is within the organization's defined purpose.

Maximum Amount: \$ 50,000 for Credit Committee Review.

Terms: Terms will be based on the schedule submitted with the application. In general, terms are expected to be less than 15 months, unless external factors demonstrate the need for a longer term. The maximum term is three years. All WCDLF financing must be repaid upon closing of project financing and prior to the start of construction unless structured otherwise.

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Origination Fee: \$ 375 for amounts up to \$ 10,000
 \$ 500 for amounts between \$ 20,000 and \$ 30,000
 \$ 1,000 for amounts in excess of \$ 30,000

Fees are payable upon loan closing (from proceeds included in the predevelopment financing award).

Interest Rate: Interest will be at 0%, though an interest rate may be applied under special circumstances.

Source of Repayment: The funds may be structured as a recoverable loan which will be recovered from the proceeds of financing made available to the project from public and private sources. To the degree that financing sources cannot recover these funds, WCDLF shall have the option to convert the loan to a grant. The agency may utilize this grant as an equity contribution for purposes of financing.

In general, recoverable loans provided for housing projects may be recovered due to greater access to 100% financing sources. Commercial and/or mixed use (commercial/residential) projects may require conversion to a grant due to the equity needs of financing sources.

In either case, WCDLF will not look to the general assets of any borrower for repayment except in the case of default, as determined by the Board of Directors.

Disbursement: Funds will be typically disbursed in phases, based on WCDLF determinations of risk and the borrowers incremental mitigation of risk through due diligence discovery and reporting.

Eligible Uses: Include, but are not limited to: site control costs (earnest money), engineering studies and reports, marketing reports, architectural analyses, construction cost estimates, legal and/or accounting fees, appraisal fees, hazardous materials surveys and testing, loan application fees, appropriate and reasonable consulting costs, and permit application fees.

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Prohibited Uses: Acquisition of property, relocation expenses, general operating and/or personnel costs of sponsor, project management consultants (except as noted below), developer fees and construction expenses.

Application Technical Assistance: In special cases, upon approval by the WCDLF Board, technical assistance and/or project management expenses may be funded through WCDLF. The Washington Association for Community Economic Development (WACED) will assume the lead role in the referral and coordination of technical assistance services.

Eligible Project: Housing development projects that demonstrate benefit to either (1) very low income households (below 50% of median income) or (2) low and/or moderate income households (below 80% of median income) and are consistent with the goals and objectives of the Central Area Action Plan, and have been reviewed by the Central Area Action Plan -- Implementation Team (CAAP-IT). All projects must be consistent with the City's Consolidated Plan, which governs the use of CDBG funds.

Commercial and/or mixed use (commercial/residential) projects which demonstrate benefit to the Central Area community and are consistent with the Central Area Action Plan, and have been reviewed by the Central Area Action Plan -- Implementation Team as consistent with that Plan.

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Application Process:

Eligible organizations may submit WCDLF applications via a two-stage process which includes pre-qualification of the organization as Stage 1 and the project as Stage 2, or all at one time. The two-stage process expedites consideration of the application. OED may contract with WACED to conduct the organizational pre-qualification review of Central Area organizations to expedite WCDLF project review.

Stage 1 - Pre-Application

Pre-application materials are required to determine the organization's eligibility for the Program. These materials include:

1. Corporate Articles and By-Laws or other organization documents
2. Most recent audited financial statement (A-133 if available)
3. IRS Letter Confirming 501(c)(3) status
4. Current Board of Directors List
5. Resumes of key staff
6. Brief narrative description which includes:
 - a. The organization's history.
 - b. The organization's development experience.
 - c. The type of project being considered for funding, and
 - d. Areas in which the organization would benefit from technical assistance.

This material is kept on file so that only changes and updates need to be provided at the time of any specific project application.

Pre-qualified organizations are required to submit only project information at the time of application to WCDLF for predevelopment financing. Organizations will be required to amend and/or update material based on changes within the organizations or if file material is over 1 year old.

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Stage 2 - Project Application

Application for pre-development financing include:

1. Project Cover Sheet.
2. Project, site and development team description.
3. Proposed predevelopment budget and preliminary development budget, and operating pro forma.
4. Sources and terms and schedule for proposed financing.
5. Development Schedule.
6. Board Resolution.
7. Evidence that local officials in DHHS - Housing and Community Services Division and/or OED have been consulted.

Upon receipt of the application, WCDLF will acknowledge receipt of materials and confirm that the application appears basically complete or advise if materials are missing. Delay in completing the application may delay review and processing of the application.

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3. Project Construction Financing

The purpose of this program is to provide funding from Puget Sound Local Initiatives Support Corporation (LISC), a national nonprofit organization, to support for eligible projects through the Neighborhood Community Development Initiative (NCDI). LISC has up to \$ 600,000 available for financing support.

Financing available through LISC is provided on the following terms:

- Maximum Amount:** The maximum available is \$ 600,000. There is no maximum amount per project.
- Terms:** Terms will be based on a construction loan. The loan term is determined with the application. In general, financing will match the construction process with a maximum of 24 months and shall be interest-only for the term of the loan with a final payment due with permanent financing.
- Interest Costs:** The maximum interest charge will be 5% regardless of loan size or term.
- Source of Repayment:** The funds are structured as construction financing. Final payments of loan principal will be recovered from permanent financing placed for the project.

4. **Community Equity Fund**

The purpose of the **Community Equity Fund** is to increase the feasibility of retail, commercial and/or mixed use projects in the Central Area. It provides financing to eligible organizations to cover the acquisition costs of property associated with community economic development projects. It is designed to work in tandem with the **Project Pre-Development Financing Program** and the **Project Construction Financing Program**.

Project equity financing will be provided according to the following terms:

- Eligibility:** Applicant Organizations must:
1. Be charitable and tax-exempt under Section 501 (c) (3) of the Internal Revenue Code and registered in Washington State as a non-profit corporation; or be a public authority or public corporation created pursuant to the Revised Code of Washington.
 2. Demonstrate that the intended development project is within the organization's defined purpose.
- Use of Funds:** Acquisition of real property required for eligible housing, commercial and/or mixed use (commercial / residential) projects. The **Equity Fund** is expected to be used in conjunction with other private or public financing resources to development projects.
- Feasibility:** All projects are expected to demonstrate overall feasibility prior to a financing commitment being made.
- Financing Position:** The **Equity Fund** may be used as a first position loan but is expected to be utilized more often as a second position loan.
- Security:** Financing will be secured by an appropriate position Deed of Trust on the real estate which is acceptable to all parties including any first position lender.
- Term:** Financing will be structured as 5-year loan and then converted to equity for the organization. If the project is sold within that 5 year period, the loan is recoverable. Upon approval by the OED, the loan may be converted to equity sooner.
- Fees:** No fees will be charged to the organization.

- Interest:** No interest will be charged to the organization.
- Loan to Value:** The maximum Loan to Value (LTV) ratio for the combined positions in a project receiving funding from the **Equity Fund** shall be 125%, provided that the **Equity Fund's** loan and all prior loans' LTV shall not exceed 100%.
- Debt Cover Ratio:** 1.00 : 1
- Application:** Application may only be received from pre-approved organizations and pre-qualified projects. The application requirements are:
1. Project Cover Sheet.
 2. Preliminary Pro Forma.
 3. Development Budget which includes a Sources and Uses Analysis to the proposed loan.
 4. Development Timetable and Critical Path.
 5. Evidence of Site Control, and
 6. Preliminary Commitment from a First Position Lender.

The Puget Sound Local Initiatives Support Corporation (LISC) office, Washington Community Development Loan Fund (WCDLF) staff, National Development Council (NDC) staff and OED /DHHS staff will review complete applications. Upon receipt of the application package, LISC will acknowledge receipt of materials and confirm that the submission is complete and ready for review. Any missing materials must be submitted within five working days to avoid review delays.

The Loan Committee will review the materials and forward a recommendation to the Director of the Office of Economic Development for final approval.

VIII. EVALUATION

The Central Area Capital Fund will be evaluated annually to determine the types and quality of projects being supported by the Program. The City and its funding participants may modify the components to improve performance, correct deficiencies and to increase funding to successful components. OED will provide a report on the use of the Fund as part of the City's Overall Response to the Central Area Action Plan which is conducted annually.

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III. FINANCING PARTICIPANTS

The following organizations are participants in funding the *Central Area Capital Fund*.

1. **The City of Seattle - Office of Economic Development (OED)**

Will provide the balance of the City's HUD Special Grant for the Central Area. The balance remaining is \$ 542,000. OED will continue to seek other federal funding sources, such as Community Development Block Grant (CDBG) and Economic Development Administration (EDA) funds to increase funding for Central Area projects.

2. **The City of Seattle - Department of Housing and Human Services (DHHS)**

Will provide CDBG funds to increase the pre-development funding available through the Washington Community Development Loan Fund (WCDLF) for commercial and/or mixed use development and to fund the Commercial Facade Improvement Program. Some funds will also be used to continue the project development funds for Central Area organizations available through the Washington Association for Community Economic Development (WACED). These funds are used to develop projects to qualify for WCDLF. The City Council will transfer \$ 265,068 in 1994 and 1995 CDBG funds to the Office of Economic Development to administer the program. The Housing and Community Services Division will continue to provide access to housing finance resources for appropriate projects.

3. **The Local Initiatives Support Corporation (LISC)**

LISC will provide funds through the Neighborhood Community Development Initiative (NCDI) and its other community development programs. LISC will also provide operating support for the Central Area Contractor's Plan Resource Center and will provide up to \$ 600,000 in development credits.

4. **The Washington Association for Community Economic Development (WACED)**

WACED will continue to utilize City CDBG funds to provide organizational development technical assistance, board development training and project development advanced training.

5. **Washington Community Development Loan Fund (WCDLF)**

WCDLF will provide pre-development funding for eligible projects and organizations in the Central Area. Eligible activities for pre-development funding include land acquisition option payments, environmental assessments, preliminary design and financial feasibility studies. Funds will be provided as recoverable loans but can be structured as grants if desired.

CENTRAL AREA CAPITAL FUND
Program Description and Policies

I. OVERALL MISSION STATEMENT

The overall mission of the Central Area Capital Fund (CACF) is to promote the coordinated redevelopment of Seattle's Central Area community through centralized delivery of technical assistance and financing for physical development projects aimed at the provision of affordable housing and economic revitalization within the Central Area.

GOALS

1. To support the ability of community-based, non-profit development organizations to engage in the effective revitalization of the Central Area community and to enhance their capacity to continue revitalization efforts in the future.
2. To create a source of project financing that can be used by Central Area community development corporations to implement the physical development goals of the Central Area Action Plan.
3. To promote cooperation and coordination among various organizations concerned with revitalization of the Central Area.
4. To blend the resources of various public and private financing systems into a single system which is responsive to the community redevelopment needs and project realities of the Central Area.
5. To remove blight, stimulate economic development and provide a mix of housing opportunities within the Central Area community.
6. To create a permanent source of project financing for community-based developers in the Central Area.

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IA GENERAL PROGRAM DESCRIPTION

OVERVIEW

The **CENTRAL AREA CAPITAL FUND** program includes three major activity areas, as follows:

1. **Commercial Facade Improvement Program**

This program provides matching funds for community-based development organizations in the Central Area to sponsor facade improvements by private businesses and/or commercial property owners in the Central Area. The program will fund materials only with labor and any required permit costs being paid by the private party. Funding support from the Local Initiative Support Corporation (LISC) will assist the Central Area Contractor's Plan Center working with area projects.

2. **Project Pre-Development Financing**

This program provides pre-development financing to Central Area CDC's to evaluate development feasibility or to conduct due diligence and/or acquire site control. Examples of eligible activities for funding include financial feasibility studies, market analyses, appraisals, preliminary design and environmental assessments.

3. **Community Equity Fund**

This program provides funding for Central Area community development corporations to provide equity in real estate development projects. Funds are structured as short-term subordinated loans which can be converted to a grant depending on the source and level of secured permanent financing. Organizations can seek funds for property acquisition, architectural/engineering fees or other components of project equity.

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A funding summary for the *Central Area Capital Fund* includes:

<u>Program Category</u>	<u>City Funds</u>	<u>LIISC/WCDLF Funds</u>	<u>TOTAL</u>
Commercial Facade Program	\$ 100,000	\$ 75,000	\$ 175,000
Pre-Development Financing	\$ 165,068	\$ 0	\$ 165,068
Project Construction Financing	\$ 0	\$ 600,000	\$ 600,000
Community Equity Fund	\$ 542,000	\$ 0	\$ 542,000
TOTALS	\$ 807,068	\$ 675,000	\$ 1,482,068

IV. ADMINISTRATION

The City of Seattle - Office of Economic Development will work with the Central Area Development Association (CADA) to administer the **Central Area Commercial Facade Improvement Program**. CADA has finalized an administration agreement with other Central Area development organizations to administer the program and will work further with the Unified Community Economic Development Association (UCEDA) to involve the Central Area Contractor's Plan Resource Center in supporting the specific construction development needs of businesses and property owners.

The City of Seattle's Office of Economic Development (OED) will contract with the Washington Community Development Loan Fund (WCDLF) to administer the **Project Pre-Development Financing Program** and to assist in administering the **Community Equity Fund**. OED will also expand its contract with the Washington Association for Community Economic Development (WACED) to maintain its Central Area organization and project development fund.

V. COMMUNITY REVIEW

Organizations applying for funding through the *Central Area Capital Fund* should evidence the support of the Central Area Action Plan -- Implementation Team (CAAP-IT). CAAP-IT will review projects with community development corporations to determine their consistency with the goals and objectives of the Central Area Action Plan and provide an advisory recommendation to the Director of the Office of Economic Development.

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VI. PROGRAM POLICIES AND PROCEDURES

The following are the program policies and procedures for the *Central Area Capital Fund*.

1. Commercial Facade Improvement Program

The purpose of this program is to assist private business owners and/or commercial property owners to improve the appearance of commercial spaces or properties in the Central Area.

Funds may be used for exterior facade improvements, awnings, painting, landscaping and other improvements which will significantly enhance the appearance of the exterior of the commercial building.

Public funds may only be used to reimburse applicants for the actual cost of materials used for the exterior improvements. Public funds may not be used for labor costs and any required permit costs.

Match Requirement: To every degree possible, applicants must match the public funding on a dollar per dollar basis (1:1). Costs eligible for the match include labor costs, in-kind labor estimates, permit expenses, etc.

Selection Process: The Central Area Development Association (CADA) will work with the Central Area Action Plan - Implementation Team (CAAP-IT) and other Central Area development organizations to establish a Steering Committee to review applications for funding.

Upon Steering Committee review, CADA will submit a project recommendation and funding summary for review and approval by OED. Upon OED approval, funding will be allocated to the project. Upon completion of the improvements, CADA will certify their completion and invoice OED to reimburse eligible expenses.

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Selection Criteria: The Steering Committee will evaluate proposed projects according to these six(6) criteria (not all criteria need to be met by a project):

1. The project will improve the appearance of a commercial or mixed use structure within an existing business district in the Central Area as defined by the Central Area Action Plan.
2. The property/business owner has signed an agreement to maintain the property, including landscaping and trash removal after the funded improvements are completed.
3. The project will contribute to the creation or maintenance of retail or office space for other businesses that strengthen the economic base of the Central Area.
4. The project's budget is reasonable, documented and there is a written commitment to provide the necessary funding to complete the entire improvement prior to reimbursement from the Fund.
5. The project's design has been developed or reviewed by a professional architect or designer; or Environmental Works, or complies with an overall design plan, if any, of the community.
6. The project will either increase the benefit resulting from recent investment in the area, or will likely stimulate further private investment in the immediate area.

Application Process: Eligible business owners and/or property owners must submit an application to CADA that describes the project (drawings and sketches are preferred), a summary of and documentation of improvement costs and a letter confirming a commitment to maintain the improvement and provide the necessary funds to complete the improvement. Business owners (tenants) must include written approval by the site's legal property owner approving the application.

CADA will coordinate reviews by the Steering Committee and provide a written summary for OED review. Upon approval by OED, CADA will provide a written confirmation setting forth funding terms and conditions for approval by the applicant.

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2. Project Pre-Development Financing

The City of Seattle will expand the resources available through the Washington Community Development Loan Fund (WCDLF) that can be targeted to support project pre-development financing in the Central Area. WCDLF offers loans as recoverable financing in amounts up to \$ 30,000 (and in some cases, up to \$ 50,000) to cover eligible predevelopment costs associated with housing and commercial development projects. Funding support from the *Central Area Capital Fund* will be used to increase funding available for commercial and/or mixed used development projects.

To be eligible for financing support, organizations agree to use their best efforts to demonstrate and achieve project feasibility in a timely manner and obtain bona fide financing commitments within the specified loan term. In the event that demonstrated best efforts do not result in financing commitments, WCDLF may consider conversion to a grant and write off the resulting loss. With the expansion of funding through the *Central Area Capital Fund*, WCDLF may, under special circumstances, structure the pre-development financing as a project grant. An outline of the WCDLF Program and governance structure is attached to this program outline.

Predevelopment financing, through WCDLF, is made available according to the following terms:

Eligibility:

Applicant Organizations must:

1. Be charitable and tax-exempt under Section 501 (c) (3) of the Internal Revenue Code and registered in Washington State as a non-profit corporation; or be a public authority or public corporation created pursuant to the Revised Code of Washington.
2. Demonstrate that the intended development project is within the organization's defined purpose.

Maximum Amount: \$ 50,000 for Credit Committee Review.

Terms:

Terms will be based on the schedule submitted with the application. In general, terms are expected to be less than 15 months, unless external factors demonstrate the need for a longer term. The maximum term is three years. All WCDLF financing must be repaid upon closing of project financing and prior to the start of construction unless structured otherwise.

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Origination Fee: \$ 375 for amounts up to \$ 10,000
\$ 500 for amounts between \$ 20,000 and \$ 30,000
\$ 1,000 for amounts in excess of \$ 30,000

Fees are payable upon loan closing (from proceeds included in the predevelopment financing award).

Interest Rate: Interest will be at 0%, though an interest rate may be applied under special circumstances.

Source of Repayment: The funds may be structured as a recoverable loan which will be recovered from the proceeds of financing made available to the project from public and private sources. To the degree that financing sources cannot recover these funds, WCDLF shall have the option to convert the loan to a grant. The agency may utilize this grant as an equity contribution for purposes of financing.

In general, recoverable loans provided for housing projects may be recovered due to greater access to 100% financing sources. Commercial and/or mixed use (commercial/residential) projects may require conversion to a grant due to the equity needs of financing sources.

In either case, WCDLF will not look to the general assets of any borrower for repayment except in the case of default, as determined by the Board of Directors.

Disbursement: Funds will be typically disbursed in phases, based on WCDLF determinations of risk and the borrowers incremental mitigation of risk through due diligence discovery and reporting.

Eligible Uses: Include, but are not limited to: site control costs (earnest money), engineering studies and reports, marketing reports, architectural analyses, construction cost estimates, legal and/or accounting fees, appraisal fees, hazardous materials surveys and testing, loan application fees, appropriate and reasonable consulting costs, and permit application fees.

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Prohibited Uses:

Acquisition of property, relocation expenses, general operating and/or personnel costs of sponsor, project management consultants (except as noted below), developer fees and construction expenses.

Application Technical Assistance:

In special cases, upon approval by the WCDLF Board, technical assistance and/or project management expenses may be funded through WCDLF. The Washington Association for Community Economic Development (WACED) will assume the lead role in the referral and coordination of technical assistance services.

Eligible Project:

Housing development projects that demonstrate benefit to either (1) very low income households (below 50% of median income) or (2) low and/or moderate income households (below 80% of median income) and are consistent with the goals and objectives of the Central Area Action Plan, and have been reviewed by the Central Area Action Plan -- Implementation Team (CAAP-IT). All projects must be consistent with the City's Consolidated Plan, which governs the use of CDBG funds.

Commercial and/or mixed use (commercial/residential) projects which demonstrate benefit to the Central Area community and are consistent with the Central Area Action Plan, and have been reviewed by the Central Area Action Plan -- Implementation Team as consistent with that Plan.

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Application Process:

Eligible organizations may submit WCDLF applications via a two-stage process which includes pre-qualification of the organization as Stage 1 and the project as Stage 2, or all at one time. The two-stage process expedites consideration of the application. OED may contract with WACED to conduct the organizational pre-qualification review of Central Area organizations to expedite WCDLF project review.

Stage 1 - Pre-Application

Pre-application materials are required to determine the organization's eligibility for the Program. These materials include:

1. Corporate Articles and By-Laws or other organization documents
2. Most recent audited financial statement (A-133 if available)
3. IRS Letter Confirming 501(c)(3) status
4. Current Board of Directors List
5. Resumes of key staff
6. Brief narrative description which includes:
 - a. The organization's history.
 - b. The organization's development experience.
 - c. The type of project being considered for funding, and
 - d. Areas in which the organization would benefit from technical assistance.

This material is kept on file so that only changes and updates need to be provided at the time of any specific project application.

Pre-qualified organizations are required to submit only project information at the time of application to WCDLF for predevelopment financing. Organizations will be required to amend and/or update material based on changes within the organizations or if file material is over 1 year old.

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Stage 2 - Project Application

Application for pre-development financing include:

1. Project Cover Sheet.
2. Project, site and development team description.
3. Proposed predevelopment budget and preliminary development budget, and operating pro forma.
4. Sources and terms and schedule for proposed financing.
5. Development Schedule.
6. Board Resolution.
7. Evidence that local officials in DHHS - Housing and Community Services Division and/or OED have been consulted.

Upon receipt of the application, WCDLF will acknowledge receipt of materials and confirm that the application appears basically complete or advise if materials are missing. Delay in completing the application may delay review and processing of the application.

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3. **Project Construction Financing**

The purpose of this program is to provide, from Puget Sound Local Initiatives Support Corporation (LISC), construction financing support for eligible projects through the Neighborhood Community Development Initiative (NCDI). LISC has up to \$ 600,000 available for financing support.

Financing available through LISC is made according to the following terms:

Maximum Amount:	The maximum available for the Fund is \$ 600,000. There is no maximum amount per project.
Terms:	Terms will be based on a construction schedule submitted with the application. In general, financing terms will match the construction process with a maximum term of 24 months and shall be interest-only for the term of the loan with a final payment due with permanent financing.
Interest Costs:	The maximum interest charge will be 5% regardless of loan size or term.
Source of Repayment:	The funds are structured as construction financing. Final payments of loan principal will be recovered from permanent financing placed for the project.

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4. **Community Equity Fund**

The purpose of the Community Equity Fund is to increase the feasibility of retail, commercial and/or mixed use projects in the Central Area. It provides financing to eligible organizations to cover the acquisition costs of property associated with community economic development projects. It is designed to work in tandem with the Project Pre-Development Financing Program and the Project Construction Financing Program.

Project equity financing will be provided according to the following terms:

Eligibility:

Applicant Organizations must:

1. Be charitable and tax-exempt under Section 501 (c) (3) of the Internal Revenue Code and registered in Washington State as a non-profit corporation; or be a public authority or public corporation created pursuant to the Revised Code of Washington.
2. Demonstrate that the intended development project is within the organization's defined purpose.

Use of Funds:

Acquisition of real property required for eligible housing, commercial and/or mixed use (commercial / residential) projects. The Equity Fund is expected to be used in conjunction with other private or public financing resources to development projects.

Feasibility:

All projects are expected to demonstrate overall feasibility prior to a financing commitment being made.

Financing Position:

The Equity Fund may be used as a first position loan but is expected to be utilized more often as a second position loan.

Security:

Financing will be secured by an appropriate position Deed of Trust on the real estate which is acceptable to all parties including any first position lender.

Term:

Financing will be structured as a 5-year loan and then converted to equity for the organization. If the project is sold within that 5 year period, the loan is recoverable. Upon approval by the OED, the loan may be converted to equity sooner.

Fees:

No fees will be charged to the organization.

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- Interest:** No interest will be charged to the organization.
- Loan to Value:** The maximum Loan to Value (LTV) ratio for the combined positions in a project receiving funding from the Equity Fund shall be 125%, provided that the Equity Fund's loan and all prior loans' LTV shall not exceed 100%.
- Debt Cover Ratio:** 1.00 : 1
- Application:** Application may only be received from pre-approved organizations and pre-qualified projects. The application requirements are:
1. Project Cover Sheet.
 2. Preliminary Pro Forma.
 3. Development Budget which includes a Sources and Uses Analysis to the proposed loan.
 4. Development Timetable and Critical Path.
 5. Evidence of Site Control, and
 6. Preliminary Commitment from a First Position Lender.

The Puget Sound Local Initiatives Support Corporation (LISC) office, Washington Community Development Loan Fund (WCDLF) staff, National Development Council (NDC) staff and OED /DIHS staff will review complete applications. Upon receipt of the application package, LISC will acknowledge receipt of materials and confirm that the submission is complete and ready for review. Any missing materials must be submitted within five working days to avoid review delays.

The Loan Committee will review the materials and forward a recommendation to the Director of the Office of Economic Development for final approval.

VIII. EVALUATION

The *Central Area Action Fund* will be evaluated annually to determine the types and quality of projects being supported by the Program. The City and its funding participants may modify the components to improve performance, correct deficiencies and to increase funding to successful components.

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ORDINANCE _____

1 AN ORDINANCE relating to economic development; authorizing the Central Area
2 Capital Fund program; amending the 1995 Budget to reallocate 1994 and 1995
3 Community Development Block Grant ("CDBG") funds from the Department of
4 Housing and Human Services to the Office of Economic Development for Central
5 Area development; approving expenditure of the balance of the City of Seattle's
6 1991 HUD Special Grant for economic development activities in the Central
7 Area; and authorizing amendments to the City of Seattle's 1994 CDBG Final
8 Statement and the 1995 Consolidated Plan.

9 WHEREAS, Ordinance 115736, adopted by the Seattle City Council on August 5, 1991,
10 authorized The City of Seattle to enter into agreements with the U.S. Department
11 of Housing and Urban Development ("HUD") and to accept a grant award for a
12 Central Area Neighborhood Development Special Purpose Grant (the "Grant");
13 and

14 WHEREAS, the work program developed for the Grant included the creation of a
15 community capital fund for assisting in the physical redevelopment of the Central
16 Area; and

17 WHEREAS, Resolution 28815, adopted by the Seattle City Council on January 3, 1994,
18 recognized the Central Area Action Plan, and adopted the City's Response to said
19 plan; and

20 WHEREAS, a component of the City Response to the Central Area Action Plan included
21 the creation of a community capital fund which would assist community-based
22 development organizations in the physical revitalization of the Central Area; and

23 WHEREAS, the City's Director of the Office of Economic Development and the Director
24 of the Department of Housing and Human Services have developed a community
25 capital fund program which would respond to identified economic development
26 needs in the Central Area; NOW, THEREFORE

27 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

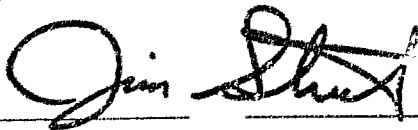
28 Section 1. The Director of the Office of Economic Development ("OED
Director") is authorized, for and on behalf of The City of Seattle, to establish the *Central
Area Capital Fund Program* (the "Program"), in accordance with the Program
description and Policies attached as Exhibit A, to act as the representative of the City in
connection with the Program; and to take such other actions as may be necessary or
appropriate to implement the Program and to comply with applicable regulations of the
United States Department of Housing and Urban Development.

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TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:



FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

C.S. 20 22

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STATE OF WASHINGTON - KING COUNTY

58710
City of Seattle, City Clerk

—SS.

No. 117736 TITLE

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council, on July 31, 1995, and published here by title only, will be mailed, at no cost, upon request for two months after this publication. For further information, contact the Seattle City Clerk at 654-8344.

ORDINANCE NO. 117727

AN ORDINANCE relating to a new West Police Precinct and Communications Center; making an appropriation to continue design work on the project and authorizing, indebtedness and interest financing for that design work; all by a three-fourths vote of the City Council.

ORDINANCE NO. 117728

AN ORDINANCE relating to security measures; establishing a new exempt title and salary rate in the Municipal Court; amending SMC 4.13.010 (P), creating penalties in the Municipal Court; and making necessary appropriations for several departments; all by a three-fourths vote of the City Council.

ORDINANCE NO. 117729

AN ORDINANCE relating to economic development; authorizing the Central Area Capital Fund program; amending the 1995 Budget to reallocate 1994 and 1995 Community Development Block Grant (CDBG) funds from the Department of Housing and Human Services to the Office of Economic Development for Central Area development; approving expenditure of the balance of the City of Seattle's 1991 HUD Special Grant for economic development activities in the Central Area; and authorizing amendments to the City of Seattle's 1994 CDBG Final Statement and the 1995 Consolidated Plan.

ORDINANCE NO. 117730

AN ORDINANCE relating to the Water Department, accepting eight easements from King County for fire hydrants and appurtenances, including connecting water service pipes and such guardrails as may be necessary for the protection of said hydrants, over portions of the west half of Section 5, Township 24 North, Range 4 East, W. M., King County, Washington.

ORDINANCE NO. 117731

Granting Fisher Properties, Inc. permission to construct, maintain and operate a pedestrian overpass over and across Westlake Avenue North at Galer Street for a twenty (20) year term, renewable for three successive ten-year terms, specifying the conditions under which this permit is granted, providing for acceptance of the permit and conditions.

Publication ordered by JUDITH PIP-PIN, City Clerk.

Date of official publication in the Daily Journal of Commerce, August 4, 1995.
8/4/95(110)

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

LOT 117727-29,733

was published on

08/04/95

The amount of the fee charged for the foregoing publication is the sum of \$

which amount has been paid in full.

Subscribed and sworn to before me on

08/04/95

Notary Public for the State of Washington,
residing in Seattle

Affidavit of Publication

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City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

June 23, 1995

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Office of Economic Development

SUBJECT: AN ORDINANCE relating to economic development; authorizing the Central Area Capital Fund program; amending the 1995 Budget to reallocate 1994 and 1995 Community Development Block Grant ("CDBG") funds from the Department of Housing and Human Services to the Office of Economic Development for Central Area development; approving expenditure of the balance of the City of Seattle's 1991 HUD Special Grant for economic development activities in the Central Area; and authorizing amendments to the City of Seattle's 1994 CDBG Final Statement and the 1995 Consolidated Plan.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Eric Friedli at 684-8369.

Sincerely,

Norman B. Rice
Mayor

by
Eric Friedli for
Tom Tierney, Director

legis:fried4

Enclosure

cc: Director, Office of Economic Development

95-224



COPY RECEIVED
95 JUN 26 AM 10:38
FILE CITY ATTORNEY

*Approved as to form,
as revised.
R. R. Tol. 6/23/95*

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